

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00  
INRE-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03  
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 ACDA-07  
TRSE-00 IO-13 OMB-01 /073 W  
-----126463 291527Z /44

O R 291451Z JUN 77  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC IMMEDIATE 9442  
USMISSION USBERLIN IMMEDIATE  
INFO AMEMBASSY BERLIN  
AMEMBASSY LONDON  
AMEMBASSY MOSCOW  
AMEMBASSY PARIS  
USMISSION NATO  
USELM LIVE OAK  
CINC USAREUR HEIDELBERG  
IV TRANS BRIG OBERURSEL

C O N F I D E N T I A L SECTION 01 OF 03 BONN 10839

E.O. 11652: GDS  
TAGS: PGOV, ELTN, US, UK, UR, FR, WB, GW, GE  
SUBJECT: REICHSBAHN TARIFF INCREASE

REFS: (A) STATE 137080 DTG 140150Z JUNE 77  
(B) USBER 1504 DTG 031503Z MAY 77  
(C) BONN 8426 DTG 161725Z MAY 77

BEGIN SUMMARY: THE BONN GROUP HAS REACHED AD REF  
AGREEMENT ON THE TEXT OF A NON-PAPER TO THE SOVIETS AND  
A NOTE TO THE FOREIGN OFFICE IN CONNECTION WITH THE  
PROPOSED BUNDESBahn/REICHSBAHN DISCUSSIONS. IT  
WAS AGREED THAT THE PROPOSED APPROACH TO THE SOVIETS  
SHOULD NOT SPECIFICALLY REFER TO THE NECESSITY FOR  
FOUR-POWER APPROVAL OF THE RAILWAYS' FINAL RECOMMENDA-  
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TIONS SINCE TO DO SO MIGHT CAUSE THE APPROACH TO  
BE REJECTED BY THE SOVIETS AND DEPRIVE THE ALLIES OF  
THE DESIRED FOUR-POWER COVER. ACTION REQUESTED:  
APPROVAL OF DRAFT TEXTS AND PROPOSED PROCEDURE. END  
SUMMARY

1. IN THE BONN GROUP MEETING OF JUNE 28, AD REF AGREE-

MENT WAS REACHED ON THE TEXT OF AN APPROACH TO THE SOVIETS IN BERLIN (PARAGRAPH 4 INFRA) AS WELL AS THE TEXT OF A NOTE TO THE FOREIGN OFFICE REQUESTING THAT THE BUNDESBahn TAKE UP THE MATTER OF A POSSIBLE INCREASE IN THE TARIFF FOR ALLIED TRAINS WITH THE REICHSBAHN (PARAGRAPH 5 INFRA). THE LATTER NOTE WAS PREPARED AT FRG REQUEST AND IS REPORTEDLY NECESSARY FOR THE FINANCE MINISTRY TO APPROVE THE INCREASED COSTS WHICH ARE TO BE FUNDED BY THE OCCUPATION BUDGET. IF THE PROPOSED TEXTS ARE APPROVED, THE ALLIED EMBASSIES WILL SEND NOTES TO THE FOREIGN OFFICE AS SOON AS THE MISSIONS IN BERLIN CONFIRM THAT THE APPROACH HAS BEEN MADE TO THE SOVIETS. WHILE RECOGNIZING THE PREFERENCE OF BERLIN MISSIONS, AS ACCEPTED BY THE DEPARTMENT (REF A), FOR AN ORAL RATHER THAN A WRITTEN STATEMENT, THE BONN GROUP WAS STRONGLY OF THE OPINION THAT IT IS ESSENTIAL TO HAVE SOMETHING IN WRITING THAT WE CAN POINT TO IN THE FUTURE, IF NEED BE, TO SHOW THAT THE TALKS WERE UNDERTAKEN ON THE BASIS OF FOUR-POWER AUTHORIZATION. THERE IS NO BASIC INCONSISTENCY BETWEEN THE TWO VIEWS, IN THAT THE PROPOSED STATEMENT TO THE SOVIETS WOULD BE ORAL BUT THE TEXT WOULD BE HANDED OVER AT THE END OF THE PRESENTATION AS A NON-PAPER OR AS TALKING POINTS. THE BONN GROUP HAS NO OBJECTION TO THE ORAL STATEMENT'S GOING BEYOND THE AGREED TEXT IN THE NON-PAPER, E.G. CONFIDENTIAL

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ALONG THE LINES OF REF B, AND LEAVE IT TO THE MISSIONS IN BERLIN TO AGREE ON ITS CONTENTS.

2. THE BONN GROUP TEXT IS SUBSTANTIALLY ALONG THE LINES OF THE TEXT OF THE BRITISH ORAL STATEMENT PROPOSED IN PARA 3 OF REF B BUT DOES NOT EXPLICITLY STATE THAT ANY UNDERSTANDING WHICH MAY BE REACHED BETWEEN THE REICHSBAHN AND THE BUNDESBahn WILL BE REFERRED TO THE FOUR POWERS FOR APPROVAL. OUR CONCERN WAS THAT REVEALING OUR INTENTION PREMATURELY MIGHT CAUSE THE SOVIETS TO REJECT THE APPROACH, THEREBY DEPRIVING US OF THE DESIRED FOUR-POWER COVER. THE VIEW HERE IS THAT HOW TO OBTAIN SOVIET APPROVAL OF THE FINAL RESULTS CAN BE SETTLED AFTER THE BUNDESBahn AND REICHSBAHN HAVE HAD THEIR DISCUSSIONS AND HAVE AGREED ON RECOMMENDATIONS. (COMMENT: ONE POSSIBILITY, FOR EXAMPLE, IF THE ALLIES DOUBT THAT THE SOVIETS WILL RESPOND POSITIVELY TO SUCH AN APPROACH FOR FINAL APPROVAL, IS TO WRITE THEM INFORMING THEM OF THE RESULTS AND STATING THAT

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NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 ACDA-07  
TRSE-00 IO-13 OMB-01 /073 W  
-----126583 291526Z /44

O R 291451Z JUN 77  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC IMMEDIATE 9443  
USMISSION USBERLIN IMMEDIATE  
INFO AMEMBASSY BERLIN  
AMEMBASSY LONDON  
AMEMBASSY MOSCOW  
AMEMBASSY PARIS  
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WE ASSUME, UNLESS INFORMED TO THE CONTRARY, THAT THE RESULTS ARE ACCEPTABLE TO THEM. IF THEY APPEAR TO BE MORE FORTHCOMING, THE SUGGESTIONS IN PARAGRAPH 5 OF REF B ARE ALSO POSSIBILITIES. END COMMENT)

3. THE QUESTION WAS DISCUSSED WHETHER THE BUNDESBAHN SHOULD BE TOLD TO GIVE TO THE REICHSBAHN COPIES OF THE NOTES TO THE FOREIGN OFFICE. THE ARGUMENT IN FAVOR OF SO DOING IS THAT IT WOULD BE UNDER-SCORING THE FACT THAT THE BUNDESBAHN IS ACTING AS AN AGENT OF THE ALLIES, AND THAT THE AUTHORITY IS STRICTLY LIMITED. OPPOSED TO THIS ARGUMENT IS THE FACT THAT THE NOTES WOULD SHOW THAT THE ALLIES ARE WORKING THROUGH  
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THE FRG (AND THE USSR WOULD PRESUMABLY BE ENTITLED TO DO THE SAME THING WITH THE GDR, THEREBY INVOLVING THE GDR IN A FOUR-POWER MATTER). FURTHERMORE, THE REFERENCE TO FOUR-POWER APPROVAL WOULD PROBABLY ANGER THE GDR EVEN MORE THAN IT WOULD THE SOVIETS. A NOTE TO THE FOREIGN OFFICE IS NECESSARY SINCE THE FOREIGN OFFICE DOES NOT APPEAR WILLING FOR THE ALLIED EMBASSIES TO DEAL DIRECTLY WITH THE BUNDESBahn.

4. THE PROPOSED WRITTEN STATEMENT TO THE SOVIETS IS:

QUOTE: ON 7 APRIL YOU RAISED WITH THE CHAIRMAN ALLIED PROTOCOL OFFICER THE TARIFFS FOR ALLIED MILITARY TRAINS. THE ALLIED AUTHORITIES ACCEPT YOUR PROPOSAL THAT THIS SUBJECT SHOULD BE REFERRED FOR TECHNICAL DISCUSSION BETWEEN THE REICHSBAHN AND THE BUNDESBahn AND WILL ACCORDINGLY AUTHORIZE THE BUNDESBahn TO ENTER INTO SUCH DISCUSSIONS. THIS DISCUSSION SHALL BE LIMITED TO AN EXAMINATION OF POSSIBLE INCREASES IN THE TARIFFS FOR SERVICES FOR WHICH THE DEUTSCHE REICHSBAHN PRESENTLY IS RECEIVING PAYMENT FROM THE DEUTSCHE BUNDESBahn ON BEHALF OF THE THREE POWERS. END QUOTE

5. THE PROPOSED NOTE TO THE FOREIGN OFFICE IS:

QUOTE: THE (BLANK) EMBASSY PRESENTS ITS COMPLIMENTS TO THE AUSWAERTIGES AMT AND HAS THE HONOR TO REFER TO THE QUESTION OF A POSSIBLE INCREASE IN TARIFFS FOR ALLIED MILITARY TRAINS WHICH WAS THE SUBJECT OF LETTERS DATED 8 NOVEMBER 1976 FROM THE DEUTSCHE REICHSBAHN TO THE BRITISH AND FRENCH MILITARY GOVERNMENTS AND TO THE UNITED STATES MISSION IN BERLIN.

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THE (BLANK) EMBASSY WISHES TO INFORM THE AUSWAERTIGES AMT THAT, FOLLOWING DISCUSSIONS BETWEEN REPRESENTATIVES OF THE THREE POWERS AND THE SOVIET AUTHORITIES IN BERLIN, THE THREE POWERS HAVE DECIDED TO AUTHORIZE THE DEUTSCHE BUNDESBahn TO UNDERTAKE ON THEIR BEHALF A TECHNICAL EXAMINATION, IN CONSULTATION WITH THE DEUTSCHE REICHSBAHN, OF THE LATTER'S PROPOSALS FOR AN INCREASE IN TARIFFS CONTAINED IN THE LETTERS OF 8 NOVEMBER 1976. THE THREE POWERS WISH THAT THESE DISCUSSIONS WITH THE DEUTSCHE REICHSBAHN BE LIMITED TO AN EXAMINATION OF POSSIBLE INCREASES IN THE TARIFFS FOR SERVICES FOR WHICH THE DEUTSCHE REICHSBAHN PRESENTLY IS RECEIVING PAYMENT FROM THE DEUTSCHE

BUNDESBahn ON BEHALF OF THE THREE POWERS. THE AUTHORIZATION DOES NOT, THEREFORE, EXTEND TO DISCUSSION OF PAYMENT TO THE DEUTSCHE REICHSBAHN FOR SERVICES, SUCH

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AS THE HAULAGE OF ALLIED PASSENGER TRAINS, FOR WHICH NO PAYMENT IS MADE NOR TO DISCUSSION OF ANY OTHER CHANGE IN THE PRESENT SYSTEM OF PAYMENT.

THIS AUTHORITY IS ISSUED ON THE UNDERSTANDING THAT THE RESULTS OF THE DEUTSCHE BUNDESBahn'S TALKS WITH THE DEUTSCHE REICHSBAHN SHALL IN DUE COURSE BE SUBMITTED TO THE THREE ALLIES AND TO THE SOVIET AUTHORITIES RESPECTIVELY FOR QUADRIpartite APPROVAL AND THAT ANY INCREASE IN TARIFFS SHALL TAKE EFFECT FROM THE DATE OF SUCH APPROVAL.

THE (BLANK) EMBASSY WOULD BE GRATEFUL TO BE KEPT

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INFORMED OF THE PROGRESS OF THE DEUTSCHE BUNDESBAHN'S  
EXAMINATION OF THE QUESTION AND OF THEIR CONSULTATIONS  
WITH THE DEUTSCHE REICHSBAHN.

(USUAL COMPLIMENTARY CLOSING PARAGRAPH)

END QUOTE

6. ACTION REQUESTED: DEPARTMENT APPROVAL OF DRAFT  
TEXTS AND OF PROPOSED PROCEDURE.  
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## Message Attributes

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**To:** STATE USBERLIN  
**Type:** TE  
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**Review Markings:**  
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